

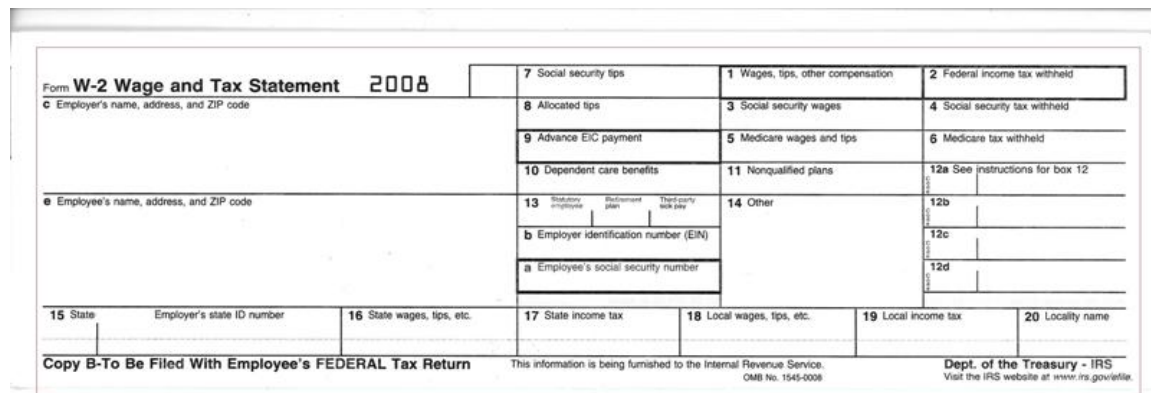
Understanding your 2008 W-2

Purpose To assist Vermont State Employees in understanding the information represented on their 2008 W-2.

Source Documents 2008 W-2 Wage and Tax Statement.

2008 W-2 INFORMATION

General Information



The image shows a 2008 W-2 Wage and Tax Statement form. The form is divided into several sections. The top section contains the form title 'Form W-2 Wage and Tax Statement 2008' and the employer's name, address, and ZIP code. The middle section contains the employee's name, address, and ZIP code, and the employer's identification number (EIN). The bottom section contains the employee's social security number. The right side of the form contains boxes for various tax information: 1 Wages, tips, other compensation; 2 Federal income tax withheld; 3 Social security wages; 4 Social security tax withheld; 5 Medicare wages and tips; 6 Medicare tax withheld; 7 Social security tips; 8 Allocated tips; 9 Advance EIC payment; 10 Dependent care benefits; 11 Nonqualified plans; 12a See instructions for box 12; 12b; 12c; 12d; 13 Statutory employee, Retirement plan, Third-party sick pay; 14 Other; 15 State; 16 State wages, tips, etc.; 17 State income tax; 18 Local wages, tips, etc.; 19 Local income tax; 20 Locality name. The bottom of the form contains the text 'Copy B-To Be Filed With Employee's FEDERAL Tax Return' and 'This information is being furnished to the Internal Revenue Service. OMB No. 1545-0008'. The bottom right corner contains the text 'Dept. of the Treasury - IRS' and 'Visit the IRS website at www.irs.gov/efile'.

Box 1	This is the total taxable wages paid. The amount has been adjusted for any amounts shown in Boxes 10, 12a, 12b, 12c, 12d, and 14.
Box 2	This figure includes all federal taxes withheld from paychecks received from the State of Vermont during the calendar year.
Box 3	These are the wages subject to Social Security (up to a maximum of \$102,000). Social Security Tax, also known as Old-Age, Survivors, and Disability Insurance (OASDI), is a tax that pays for benefits to entitled beneficiaries.
Box 4	This figure includes all social security taxes withheld for checks received from the State of Vermont during the calendar year. This is 6.2% of Box 3 up to \$ 6,324.00 Max.
Box 5	These are wages subject to Medicare (no maximum). Medicare tax, also known as Hospital Insurance (HI), is a tax that pays for hospital benefits for people covered by Medicare.
Box 6	This figure includes all Medicare taxes withheld from paychecks received from the State of Vermont during the calendar year. This is 1.45% of Box 5.
Box 7	N/A
Box 8	N/A
Box 9	Advanced Earned Income Credit (EIC) - For most State of Vermont employees, this box will be blank. Employees who completed the W5 form for the calendar year will see their credit in this box.

Understanding your 2008 W-2

Box 10	Box 10 shows contributions to Dependent Care made through your flexible spending account via payroll deductions. Contributions to are not subject to Federal, Social Security, Medicare or your State taxes.
Box 11	N/A
Box 12 A - D	<p>This box contains an employee's benefit amounts. The benefit amounts are identified by letter codes and some of the most commonly shown codes are:</p> <p>C. This amount is the taxable portion of your State Group Life Insurance coverage in excess of \$50,000 (per IRS Section 79). It is determined from an IRS tax table and reduced by life insurance premiums deducted from your payroll checks. Your taxable gross in Boxes 1, 3, 5, & 16 have been increased by this amount.</p> <p>G. This amount is the total deducted from your payroll checks for contributions to an IRS Section 457 Deferred Compensation plan. Reduces Federal & State withholding wages (Box 1 & 16) but not FICA (Box 3 & 5).</p>
Box 13	If you were paid wages that were covered under the State of Vermont Retirement Plans, then the Retirement Plan Box will be checked.
Box 14	<p>RETIR – Employee contributions to retirement plans. Reduces Federal & State withholding wages (Box 1 & 16) but not FICA (Box 3).</p> <p>IMP - Imputed income – The value of health/dental insurance coverage for employees who elect coverage for Domestic or Civil Union Partners taken on a pretax basis. This amount is added into Boxes 1, 3, 5, & code 16 (for domestic partners only).</p> <p>MEDIC – Health insurance premiums taken as either pre-tax or after tax payroll deduction. Only Pre-tax contributions reduce taxable wages in Box 1, Box 16 for State wages and Social Security and Medicare wages in Boxes 3 & 5.</p>
Box 15	State Code - usually VT.
Box 16	State wages, tips, etc. - Normally, this box contains the total year-to-date State Taxable wages. To determine the total shown in Box 16, see instructions for Box 1. (Election Civil Union/Domestic Partner may affect this box)
Box 17	Employee State Withholding taxes YTD.